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**UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513**

GOODMAN

Mailed: December 11, 2003

Opposition No. **91107800**

Opposition No. **91107801x**

BLACK BOX CORPORATION OF
PENNSYLVANIA AND BB
TECHNOLOGIES, INC.

v.

BETTERBOX COMMUNICATIONS
LIMITED

**Before Bucher, Rogers and Drost, Administrative Trademark
Judges.**

By the Board:

As background, the parties to these proceedings were engaged in civil litigation dating back to 1997¹, involving a declaratory judgment action brought by BetterBox Communications Limited (hereinafter "BetterBox")² and a

¹ *BetterBox Communications Ltd. v. Black Box Corporation of Pennsylvania and BB Technologies, Inc.*, Case No. 98-CV-702, U.S. District Court for the Western District of Pennsylvania.

² BetterBox was seeking a declaration of no infringement of opposers' marks with respect to its marks in these consolidated opposition proceedings, application Serial No. 74733069 for the mark BETTERBOX for computer hardware, computer peripherals, and computer modems in International Class 9 (Opposition No. 91107800); and application Serial No. 75011373 for the mark



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for computer hardware, computer peripherals, and computer modems in International Class 9 (Opposition No. 91107801). The opposition proceedings were consolidated by Board

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counterclaim brought by Black Box Corporation of Pennsylvania and BB Technologies, Inc. (hereinafter "Black Box") for trademark infringement, unfair competition and trademark dilution.³ After a jury trial, the jury returned a verdict for BetterBox, and the District Court entered judgment on November 16, 2000. On May 4, 2001, in post-trial orders, the District Court denied Black Box's motions for new trial under Fed. R. Civ. P. 59(a) and for relief from judgment under Fed. R. Civ. P. 60(b).⁴ Black Box then

order on December 8, 2000, and at that time, the Board reset the discovery and trial schedule since the parties had not advised the Board of the pending civil litigation between the parties.

³ The claims for infringement, dilution and unfair competition related to the registrations owned by the opposer, also pleaded in the notices of opposition of these consolidated proceedings: Reg. No. 1095109 for the mark BLACK BOX for catalog for data communication products, International Class 16;



Reg. No. 1343851 for [diamond logo] for electric and electronic data communication apparatus, International Class 9;



Reg. No. 1095108 for [diamond logo] for catalog for data communication products, International Class 16; and



Reg. No. 1141116 for [diamond logo] for electronic data communication apparatus, International Class 9.

⁴ In the civil trial, Better Box relied on the mark



BETTERBOX involved in Opposition No. 91107801 (application Serial No. 75011373), which had inadvertently issued as a registered mark, Registration No. 2288337. In December 2000, the Board issued an order forwarding the file for application Serial No. 75011373 to the Commissioner for Trademarks for cancellation and restoration to pending application status. The registration was

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filed an appeal of the jury verdict to the Third Circuit Court of Appeals on June 1, 2001.

On July 27, 2001, at the start of its testimony period in the consolidated opposition proceedings, BetterBox brought a motion to dismiss on the basis of collateral estoppel, in view of the decision rendered in the civil action.⁵ On August 16, 2001, Black Box filed its response to BetterBox's motion and a motion to amend to add a claim that BetterBox's marks are descriptive; BetterBox filed, on August 30, 2001, its reply for its motion to dismiss and a response to opposer's motion to amend.

On March 29, 2002, the Board issued an order on BetterBox's motion to dismiss and Black Box's motion to amend. The Board treated BetterBox's motion as one for summary judgment,⁶ and after consideration of the parties' arguments, the Board denied BetterBox's motion to dismiss as premature since the appeal of the jury verdict in the civil action to the Third Circuit Court of Appeals was still

cancelled in June 2001. This cancellation was the basis for Black Box's Rule 59(a) and 60(b) motions.

⁵ During opposer's testimony period, which closed on June 28, 2001, opposer submitted trial testimony and depositions as evidence.

⁶ Although the Board generally will not consider a motion for summary judgment filed after the first trial period commences, one exception to this practice is a motion involving a matter of res judicata or collateral estoppel. See *Lukens Inc. v. Vesper Corp.*, 1 USPQ2d 1299, 1300 n.2 (TTAB 1986); TBMP Section 528.02 (2d ed. June 2003). The Board exercised its discretion and considered applicant's motion (which it construed as one for summary judgment) because it was based on the doctrines of res judicata and collateral estoppel. TBMP Section 528.02.

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pending. The Board also denied without prejudice opposer's motion to amend its notices of opposition. Thereafter, these consolidated proceedings were suspended pending the final disposition of the civil action.

On August 22, 2002, the Third District Court of Appeals issued its decision, affirming the jury verdict.

Thereafter, on April 16, 2003, BetterBox filed another motion to dismiss on the ground of res judicata, which we shall treat as renewed motion for summary judgment.⁷ In its response, Black Box opposed the motion to dismiss and renewed its motion to amend the notices of opposition.

The Board turns first to Black Box's motion to amend. In support of its motion, Black Box argues that it learned for the "first time" of the descriptiveness ground during the trial in the civil litigation and, therefore, amendment of the notices of opposition is appropriate.

In response, BetterBox argues that the motion to amend is untimely and would be unfairly prejudicial to BetterBox.

Black Box's motion to amend is denied. Black Box knew or should have known about the potential descriptiveness ground prior to the start of its testimony period yet it failed to move to amend until after its testimony period closed. It would be unduly prejudicial at this juncture to

⁷ Though untimely, the Board in its discretion shall consider the renewed motion for summary judgment since it is based on the ground of res judicata.

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allow Black Box to amend the notice of opposition.⁸ See *Wright Line Inc. v. Data Safe Servs. Corp.* 229 USPQ 769, 769 n.4 (TTAB 1985) (motion to amend notice of opposition at beginning of testimony period is "clearly untimely" under Fed. R. Civ. P. 15(a) and prejudicial to applicant).

We now turn to BetterBox's motion for summary judgment on the basis of res judicata with respect to the ground of priority and likelihood of confusion, which is the sole ground for opposition in the consolidated proceedings.

In support of its motion for summary judgment, BetterBox argues that "the doctrine of res judicata precludes opposers from going forward with the consolidated oppositions" because the issue of likelihood of confusion is identical to the issues raised, litigated, and finally determined in the civil action. BetterBox requests that the Board either dismiss the oppositions, or alternatively, issue a judgment in applicant's favor "as a matter of law based on the finally determined civil action."

In response, Black Box argues that res judicata should not apply to the consolidated oppositions because the causes of action in the civil litigation and the oppositions are not identical; and that the doctrine of collateral estoppel

⁸ The trial involving the parties in which Black Box allegedly learned of the descriptiveness ground occurred in November 2000; however, Black Box did not bring its motion to amend until August 16, 2001, after its testimony period closed and after BetterBox brought a motion to dismiss.

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should not apply to the consolidated oppositions because BetterBox presented highly prejudicial testimony and evidence to the jury in the civil action with respect to likelihood of confusion which would not be admissible in Board proceedings. In particular, Black Box argues that the jury decision was prejudiced by the admission of evidence relating to BetterBox's foreign trademark use and foreign trademark registrations as well as the admission into evidence of an inadvertently issued Certificate of



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Registration for the mark Reg. No. 2288337.⁹

Black Box asserts that the doctrine of unclean hands applies in that BetterBox should not benefit from its use of and reliance on, during the trial of the civil action, "an erroneously issued registration" which after the trial was "officially recognized" by the United States Patent and Trademark Office as being "issued in error" and later cancelled in June 2001.

⁹ See n. 4, with regard to the inadvertently issued registration. Black Box argues that BetterBox's use of the inadvertently issued registration "created an unfair inference in the minds of the jury that BetterBox had a protectable trademark right in its mark and that the Trademark Office had approved its registration." With respect to the foreign registration, Black Box argues that this evidence created an unfair inference that "Betterbox could use such marks in the United States."

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In reply, BetterBox argues that the decision in the civil action was "upheld by the District Court when it denied Black Box's post trial motions and was again upheld by the Court of Appeals when it affirmed the District Court judgment"; that the issue of likelihood of confusion decided in the civil action is the same issue to be decided in the consolidated opposition proceedings; that Black Box's argument that collateral estoppel should not apply is incorrect; and that the Court of Appeals found no error with respect to the introduction into evidence of the foreign registrations and the inadvertently issued registration.

In a motion for summary judgment, the moving party has the burden of establishing the absence of any genuine issues of material fact and that it is entitled to judgment as a matter of law. See Fed. R. Civ. P. 56(c). A genuine issue with respect to material fact exists if sufficient evidence is presented that a reasonable fact finder could decide the question in favor of the non-moving party. See *Opryland USA Inc. v. Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992). Thus, all doubts as to whether any factual issues are genuinely in dispute must be resolved against the moving party and all inferences must be viewed in the light most favorable to the non-moving party. See *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

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We agree with Black Box that *res judicata* does not apply since the claims in a civil action relating to the right to use marks are not the same as those in an opposition proceeding before the Board which relate to the right to register marks. *American Hygienic Laboratories, Inc. v. Tiffany & Co.*, 228 USPQ 855, 857 (TTAB 1986). Therefore, we construe BetterBox's motion as one based on collateral estoppel.

Under the doctrine of collateral estoppel (also known as issue preclusion), once an issue is actually and necessarily determined by a court of competent jurisdiction, that determination is normally conclusive in a subsequent suit involving the parties to the prior litigation. *International Order of Job's Daughters v. Lindeburg & Co.*, 727 F.2d 1087, 220 USPQ 1017 (Fed. Cir. 1984). The underlying rationale is that a party who has litigated an issue and lost should be bound by that decision and cannot demand that the issue be decided again. *Mother's Restaurant Incorporated v. Mama's Pizza, Inc.*, 723 F.2d 1566, 221 USPQ 394 (Fed. Cir. 1983).

In order for issue preclusion to apply, the following requirements must be met: 1) the issue to be determined must be identical to the issue involved in the prior litigation; 2) the issue must have been raised, litigated and actually adjudged in the prior action; 3) the

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determination of the issue must have been necessary and essential to the resulting judgment; and 4) the party precluded must have been fully represented in the prior action. *Mother's Restaurant*, supra; *Polaroid Corp. v. C & E Vision Services Inc.*, 52 USPQ2d 1954 (TTAB 1999). We find that issue preclusion is applicable in the instant proceeding. The issue of likelihood of confusion is an essential element of opposer's claim in the consolidated oppositions. The jury found in the District Court proceeding that BetterBox's use of its BetterBox marks was not likely to cause consumer confusion vis a vis Black Box's marks, and the District Court granted judgment on the basis of the jury verdict. The jury finding was upheld by the District Court when it denied Black Box's post-trial motions, and the verdict and resulting judgment were affirmed by the Third Circuit Court of Appeals.

Thus, as a result of the prior District Court litigation between the parties, there is no genuine issue that no likelihood of confusion exists between the parties' marks; that the issue of likelihood of confusion was actually litigated in the District Court action; and that the determination of the issue of likelihood of confusion was necessary to the resulting District Court judgment. Further, there is no genuine issue that opposer had a full and fair opportunity to litigate the issues in the prior

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District Court proceeding. We find unavailing Black Box's argument that collateral estoppel does not apply because of unclean hands. Nothing in the record supports a finding of inequitable conduct on the part of BetterBox. Based on evidentiary rulings by the trial judge in the District Court action, BetterBox was allowed to introduce into evidence the inadvertently issued registration and foreign registrations, and the Court of Appeals found no abuse of discretion in allowing the presentation of such evidence.¹⁰ Moreover, the District Court was fully cognizant of the circumstances relating to the inadvertent issuance of BetterBox's registration. We do not see how BetterBox's conduct in the civil action can be branded by this Board as inequitable and the basis for a finding of unclean hands when the District Court clearly did not view BetterBox's conduct as inequitable.

In view of the above, we find, as a matter of law, that BetterBox is entitled to summary judgment based on collateral estoppel.

Accordingly, the consolidated oppositions are dismissed with prejudice.

¹⁰ We also note that the introduction of evidence of the foreign registrations was simply the result of a difference in scope between the civil proceeding and the Board proceeding.